

By: Ellis

S.B. No. 559

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a registry at the Texas Department of Insurance of certain legal entities determined to have sold race-based insurance coverage.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 521, Insurance Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. RACE-BASED INSURANCE REGISTRY

Sec. 521.151. APPLICABILITY OF SUBCHAPTER. This subchapter applies to any legal entity engaged in the business of insurance in this state, including:

- (1) a capital stock insurance company;
- (2) a mutual insurance company;
- (3) a title insurance company;
- (4) a fraternal benefit society;
- (5) a local mutual aid association;
- (6) a statewide mutual assessment company;
- (7) a county mutual insurance company;
- (8) a Lloyd's plan;
- (9) a reciprocal or interinsurance exchange;
- (10) a stipulated premium company;
- (11) a group hospital service corporation;
- (12) a farm mutual insurance company;
- (13) a risk retention group;

- 1 (14) an eligible surplus lines insurer; and
2 (15) an agent, broker, adjuster, or life and health
3 insurance counselor.

4 Sec. 521.152. REGISTRY. The commissioner shall establish a
5 registry of legal entities engaged in the business of insurance in
6 this state that have a documented history of:

7 (1) refusing to insure or provide coverage to an
8 individual, refusing to continue to insure or provide coverage to
9 an individual, limiting the amount, extent, or kind of coverage
10 available for an individual, or charging an individual a rate that
11 is different from the rate charged to other individuals for the same
12 coverage, because of the race or color of the individual; or

13 (2) marketing a kind of insurance or insurance product
14 to individuals predominately of the same race or color because of
15 their race or color.

16 Sec. 521.153. SUBMISSION OF INFORMATION TO DEPARTMENT. (a)
17 The commissioner may require a legal entity subject to this
18 subchapter to submit information to the department regarding
19 practices of the entity that reasonably indicate a history of the
20 activities described by Section 521.152.

21 (b) The commissioner shall prescribe by rule the manner of
22 submitting information under Subsection (a).

23 Sec. 521.154. PUBLIC INFORMATION. (a) Information
24 submitted to the department under Section 521.153 is public
25 information.

26 (b) The department shall prepare information of public
27 interest describing the registry established under this

1 subchapter.

2 SECTION 2. The commissioner of insurance shall establish
3 the registry and adopt rules as required by Subchapter D, Chapter
4 521, Insurance Code, as added by this Act, not later than January 1,
5 2008.

6 SECTION 3. This Act takes effect September 1, 2007.